

FIRST REGULAR SESSION

HOUSE BILL NO. 795

97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE KOLKMEYER.

1974H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 64.196, 135.710, 137.010, 137.100, 142.800, and 142.869, RSMo, and to enact in lieu thereof six new sections relating to alternative fuel.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 64.196, 135.710, 137.010, 137.100, 142.800, and 142.869, RSMo, are repealed and six new sections enacted in lieu thereof, to be known as sections 64.196, 135.710, 137.010, 137.100, 142.800, and 142.869, to read as follows:

64.196. 1. After August 28, 2001, any county seeking to adopt a building code in a manner set forth in section 64.180 shall, in creating or amending such code, adopt a current, calendar year 1999 or later edition, nationally recognized building code, as amended.

2. **No county building ordinance adopted under this section shall conflict with liquified petroleum gas installations regulations established under section 323.020.**

135.710. 1. As used in this section, the following terms mean:

(1) "Alternative fuels", any motor fuel at least seventy percent of the volume of which consists of one or more of the following:

(a) Ethanol;

(b) Natural gas;

(c) Compressed natural gas, **or CNG**;

(d) Liquified natural gas, **or LNG**;

(e) Liquified petroleum gas, **LP gas, propane, or autogas**;

(f) Any mixture of biodiesel and diesel fuel, without regard to any use of kerosene;

(g) Hydrogen;

(2) "Department", the department of natural resources;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

12 (3) "Eligible applicant", a business entity that is the owner of a qualified alternative fuel
13 vehicle refueling property **or makes more than twenty-five qualified conversions in a one-**
14 **year period;**

15 (4) **"Motor vehicle", any automobile, truck, truck-tractor, or any motor bus or self**
16 **propelled vehicle not exclusively operated or driven upon fixed rails or tracks. The term**
17 **does not include:**

18 (a) **Farm tractors or machinery including tractors and machinery designed for off-**
19 **road use but capable of movement on roads at low speeds; or**

20 (b) **A vehicle solely operated on rails;**

21 (5) "Qualified alternative fuel vehicle refueling property", property in this state owned
22 by an eligible applicant and used for storing alternative fuels and for dispensing such alternative
23 fuels into fuel tanks of motor vehicles owned by such eligible applicant or private citizens which,
24 if constructed after August 28, 2008, was constructed with at least fifty-one percent of the costs
25 being paid to qualified Missouri contractors for the:

26 (a) Fabrication of premanufactured equipment or process piping used in the construction
27 of such facility;

28 (b) Construction of such facility; and

29 (c) General maintenance of such facility during the time period in which such facility
30 receives any tax credit under this section.

31
32 If no qualified Missouri contractor is located within seventy-five miles of the property, the
33 requirement that fifty-one percent of the costs shall be paid to qualified Missouri contractors
34 shall not apply;

35 [(5)] (6) **"Qualified conversion", the conversion of a motor vehicle fueled solely by**
36 **petroleum-based fuels to a motor vehicle which incorporates an alternative fuel listed**
37 **under subsection 1 of section 135.710 as either the primary or secondary source. The**
38 **converted vehicle must operate using an alternative fuel decal under subsection 1 of section**
39 **142.869, if applicable. Installations which inject fuel additives are not considered qualified**
40 **conversions;**

41 (7) "Qualified Missouri contractor", a contractor whose principal place of business is
42 located in Missouri and has been located in Missouri for a period of not less than five years.

43 2. For all tax years beginning on or after January 1, [2009] **2014**, but before January 1,
44 [2012] **2017**, any eligible applicant who installs and operates a qualified alternative fuel vehicle
45 refueling property shall be allowed a credit against the tax otherwise due under chapter 143,
46 excluding withholding tax imposed by sections 143.191 to 143.265, or due under chapter 147
47 or chapter 148 for any tax year in which the applicant is constructing the refueling property. The

48 credit allowed in this [section] **subsection** per eligible applicant shall not exceed the lesser of
49 twenty thousand dollars or twenty percent of the total costs directly associated with the purchase
50 and installation of any alternative fuel storage and dispensing equipment on any qualified
51 alternative fuel vehicle refueling property, which shall not include the following:

52 (1) Costs associated with the purchase of land upon which to place a qualified alternative
53 fuel vehicle refueling property;

54 (2) Costs associated with the purchase of an existing qualified alternative fuel vehicle
55 refueling property; or

56 (3) Costs for the construction or purchase of any structure.

57 **3. For all tax years beginning on or after January 1, 2014, but before January 1,**
58 **2017, any eligible applicant who makes twenty-five or more qualified conversions shall be**
59 **allowed a credit against the tax otherwise due under chapter 143, excluding withholding**
60 **tax imposed by sections 143.191 to 143.265, or due under chapter 147 or chapter 148 for**
61 **any tax year in which the eligible applicant makes such conversions. The credit allowed**
62 **in this subsection shall not exceed the lesser of two thousand five hundred dollars per**
63 **qualified conversion or ten percent of the conversion costs.**

64 **4.** Tax credits allowed by **subsection 3** of this section shall be claimed by the eligible
65 applicant at the time such applicant files a return for the tax year in which the storage and
66 dispensing facilities were placed in service at a qualified alternative fuel vehicle refueling
67 property, and shall be applied against the income tax liability imposed by chapter 143, chapter
68 147, or chapter 148 after all other credits provided by law have been applied. The cumulative
69 amount of tax credits which may be claimed by eligible applicants claiming all credits authorized
70 in this section shall not exceed [the following amounts:

71 (1) In taxable year 2009, three million dollars;

72 (2) In taxable year 2010, two million dollars; and

73 (3) In taxable year 2011,] one million dollars **per year**.

74 **[4.] 5.** If the amount of the tax credit exceeds the eligible applicant's tax liability, the
75 difference shall not be refundable. Any amount of credit that an eligible applicant is prohibited
76 by this section from claiming in a taxable year may be carried forward to any of such applicant's
77 two subsequent taxable years. Tax credits allowed under this section may be assigned,
78 transferred, sold, or otherwise conveyed.

79 **[5.] 6.** An alternative fuel vehicle refueling property, for which an eligible applicant
80 receives tax credits under this section, which ceases to sell alternative fuel shall cause the
81 forfeiture of such eligible applicant's tax credits provided under this section for the taxable year
82 in which the alternative fuel vehicle refueling property ceased to sell alternative fuel and for

83 future taxable years with no recapture of tax credits obtained by an eligible applicant with respect
84 to such applicant's tax years which ended before the sale of alternative fuel ceased.

85 [6.] 7. The director of revenue shall establish the procedure by which the tax credits in
86 this section may be claimed, and shall establish a procedure by which the cumulative amount of
87 tax credits is apportioned equally among all eligible applicants claiming the credit. To the
88 maximum extent possible, the director of revenue shall establish the procedure described in this
89 subsection in such a manner as to ensure that eligible applicants can claim all the tax credits
90 possible up to the cumulative amount of tax credits available for the taxable year. No eligible
91 applicant claiming a tax credit under this section shall be liable for any interest or penalty for
92 filing a tax return after the date fixed for filing such return as a result of the apportionment
93 procedure under this subsection.

94 [7.] 8. Any eligible applicant desiring to claim a tax credit under this section shall submit
95 the appropriate application for such credit with the department. The application for a tax credit
96 under this section shall include any information required by the department. The department
97 shall review the applications and certify to the department of revenue each eligible applicant that
98 qualifies for the tax credit.

99 [8.] 9. The department and the department of revenue may promulgate rules to
100 implement the provisions of this section. Any rule or portion of a rule, as that term is defined
101 in section 536.010, that is created under the authority delegated in this section shall become
102 effective only if it complies with and is subject to all of the provisions of chapter 536 and, if
103 applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the
104 powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective
105 date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of
106 rulemaking authority and any rule proposed or adopted after August 28, 2008, shall be invalid
107 and void.

108 [9.] 10. Pursuant to section 23.253 of the Missouri sunset act:

109 (1) The provisions of the new program authorized under this section shall automatically
110 sunset six years after August 28, [2008] **2013**, unless reauthorized by an act of the general
111 assembly; and

112 (2) If such program is reauthorized, the program authorized under this section shall
113 automatically sunset twelve years after the effective date of the reauthorization of this section;
114 and

115 (3) This section shall terminate on December thirty-first of the calendar year immediately
116 following the calendar year in which the program authorized under this section is sunset.

137.010. The following words, terms and phrases when used in laws governing taxation and revenue in the state of Missouri shall have the meanings ascribed to them in this section, except when the context clearly indicates a different meaning:

(1) "Grain and other agricultural crops in an unmanufactured condition" shall mean grains and feeds including, but not limited to, soybeans, cow peas, wheat, corn, oats, barley, kafir, rye, flax, grain sorghums, cotton, and such other products as are usually stored in grain and other elevators and on farms; but excluding such grains and other agricultural crops after being processed into products of such processing, when packaged or sacked. The term "processing" shall not include hulling, cleaning, drying, grating, or polishing;

(2) "Hydroelectric power generating equipment", very-low-head turbine generators with a nameplate generating capacity of at least four hundred kilowatts but not more than six hundred kilowatts and machinery and equipment used directly in the production, generation, conversion, storage, or conveyance of hydroelectric power to land-based devices and appurtenances used in the transmission of electrical energy;

(3) "Intangible personal property", for the purpose of taxation, shall include all property other than real property and tangible personal property, as defined by this section;

(4) "Real property" includes land itself, whether laid out in town lots or otherwise, and all growing crops, buildings, structures, improvements and fixtures of whatever kind thereon, hydroelectric power generating equipment, the installed poles used in the transmission or reception of electrical energy, audio signals, video signals or similar purposes, provided the owner of such installed poles is also an owner of a fee simple interest, possessor of an easement, holder of a license or franchise, or is the beneficiary of a right-of-way dedicated for public utility purposes for the underlying land; attached wires, transformers, amplifiers, substations, and other such devices and appurtenances used in the transmission or reception of electrical energy, audio signals, video signals or similar purposes when owned by the owner of the installed poles, otherwise such items are considered personal property; and stationary property used for **generation, transportation or storage** of liquid and gaseous products, including, but not limited to, petroleum products, natural gas, **propane or LP gas, solar or wind power equipment**, water, and sewage;

(5) "Tangible personal property" includes every tangible thing being the subject of ownership or part ownership whether animate or inanimate, other than money, and not forming part or parcel of real property as herein defined, but does not include household goods, furniture, wearing apparel and articles of personal use and adornment, as defined by the state tax commission, owned and used by a person in his home or dwelling place.

137.100. The following subjects are exempt from taxation for state, county or local purposes:

3 (1) Lands and other property belonging to this state;

4 (2) Lands and other property belonging to any city, county or other political subdivision
5 in this state, including market houses, town halls and other public structures, with their furniture
6 and equipments, and on public squares and lots kept open for health, use or ornament;

7 (3) Nonprofit cemeteries;

8 (4) The real estate and tangible personal property which is used exclusively for
9 agricultural or horticultural societies organized in this state, including not-for-profit agribusiness
10 associations;

11 (5) All property, real and personal, actually and regularly used exclusively for religious
12 worship, for schools and colleges, or for purposes purely charitable and not held for private or
13 corporate profit, except that the exemption herein granted does not include real property not
14 actually used or occupied for the purpose of the organization but held or used as investment even
15 though the income or rentals received therefrom is used wholly for religious, educational or
16 charitable purposes;

17 (6) Household goods, furniture, wearing apparel and articles of personal use and
18 adornment, as defined by the state tax commission, owned and used by a person in his home or
19 dwelling place;

20 (7) Motor vehicles leased for a period of at least one year to this state or to any city,
21 county, or political subdivision or to any religious, educational, or charitable organization which
22 has obtained an exemption from the payment of federal income taxes, provided the motor
23 vehicles are used exclusively for religious, educational, or charitable purposes;

24 (8) Real or personal property leased or otherwise transferred by an interstate compact
25 agency created pursuant to sections 70.370 to 70.430 or sections 238.010 to 238.100 to another
26 for which or whom such property is not exempt when immediately after the lease or transfer, the
27 interstate compact agency enters into a leaseback or other agreement that directly or indirectly
28 gives such interstate compact agency a right to use, control, and possess the property; provided,
29 however, that in the event of a conveyance of such property, the interstate compact agency must
30 retain an option to purchase the property at a future date or, within the limitations period for
31 reverters, the property must revert back to the interstate compact agency. Property will no longer
32 be exempt under this subdivision in the event of a conveyance as of the date, if any, when:

33 (a) The right of the interstate compact agency to use, control, and possess the property
34 is terminated;

35 (b) The interstate compact agency no longer has an option to purchase or otherwise
36 acquire the property; and

37 (c) There are no provisions for reverter of the property within the limitation period for
38 reverters;

39 (9) All property, real and personal, belonging to veterans' organizations. As used in this
40 section, "veterans' organization" means any organization of veterans with a congressional charter,
41 that is incorporated in this state, and that is exempt from taxation under section 501(c)(19) of the
42 Internal Revenue Code of 1986, as amended;

43 **(10) Equipment or property with a retail value of fifty thousand dollars or less**
44 **required for the use, transmission, generation or storage of alternative or renewable energy**
45 **as used in an alternative energy operation as defined under section 30.750 or alternative**
46 **fuels as defined under section 135.710 and section 414.400, used either for fleet,**
47 **transportation, power generation, heat or other such application. Said equipment shall be**
48 **exempt from the assessment of any state, county or local property taxes for such time as**
49 **the equipment, property or installation is in working order.**

142.800. As used in this chapter, the following words, terms and phrases have the
2 meanings given:

3 **(1) "Additive", a substance designed to increase engine power or performance**
4 **introduced by injection or other means into a fuel system but which is not capable of**
5 **propelling the vehicle without the primary fuel. Use of additives fuels does not require**
6 **compliance with subsection 1 of section 142.869;**

7 **(2) "Agricultural purposes",** clearing, terracing or otherwise preparing the ground on a
8 farm; preparing soil for planting and fertilizing, cultivating, raising and harvesting crops; raising
9 and feeding livestock and poultry; building fences; pumping water for any and all uses on the
10 farm, including irrigation; building roads upon any farm by the owner or person farming the
11 same; operating milking machines; sawing wood for use on a farm; producing electricity for use
12 on a farm; movement of tractors, farm implements and nonlicensed equipment from one field
13 to another;

14 **[(2)] (3) "Alternative fuel",** electricity, liquefied petroleum gas (LPG [or] , LP gas,
15 **propane or autogas),** compressed natural gas product **(CNG, liquified natural gas or LNG),**
16 or a combination of liquefied petroleum gas and a compressed natural gas or electricity product
17 used in an internal combustion engine or motor to propel any form of vehicle, machine, or
18 mechanical contrivance. It includes all forms of fuel commonly or commercially known or sold
19 as butane, propane, or compressed natural gas;

20 **[(3)] (4) "Aviation fuel",** any motor fuel specifically compounded for use in reciprocating
21 aircraft engines;

22 **[(4)] (5) "Blend stock",** any petroleum product component of motor fuel, such as
23 naphtha, reformat, toluene or kerosene, that can be blended for use in a motor fuel without
24 further processing. The term includes those petroleum products presently defined by the Internal

25 Revenue Service in regulations pursuant to 26 U.S.C., Sections 4081 and 4082, as amended.
26 However, the term does not include any substance that:

27 (a) Will be ultimately used for consumer nonmotor fuel use; and

28 (b) Is sold or removed in drum quantities (fifty-five gallons) or less at the time of the
29 removal or sale;

30 [(5)] (6) "Blended fuel", a mixture composed of motor fuel and another liquid including
31 blend stock, other than a de minimis amount of a product such as carburetor detergent or
32 oxidation inhibitor, that can be used as a fuel in a highway vehicle. This term includes but is not
33 limited to gasohol, ethanol, methanol, fuel grade alcohol, diesel fuel enhancers and resulting
34 blends;

35 [(6)] (7) "Blender", any person that produces blended motor fuel outside the bulk
36 transfer/terminal system;

37 [(7)] (8) "Blending", the mixing of one or more petroleum products, with or without
38 another product, regardless of the original character of the product blended, if the product
39 obtained by the blending is capable of use or otherwise sold for use in the generation of power
40 for the propulsion of a motor vehicle, an airplane, or a motorboat. The term does not include the
41 blending that occurs in the process of refining by the original refiner of crude petroleum or the
42 blending of products known as lubricating oil and greases;

43 [(8)] (9) "Bulk plant", a bulk motor fuel storage and distribution facility that is not a
44 terminal within the bulk transfer system and from which motor fuel may be removed by truck;

45 [(9)] (10) "Bulk transfer", any transfer of motor fuel from one location to another by
46 pipeline tender or marine delivery within the bulk transfer/terminal system;

47 [(10)] (11) "Bulk transfer/terminal system", the motor fuel distribution system consisting
48 of refineries, pipelines, vessels, and terminals. Motor fuel in a refinery, pipeline, boat, barge or
49 terminal is in the bulk transfer/terminal system. Motor fuel in the fuel supply tank of any engine,
50 or in any tank car, rail car, trailer, truck, or other equipment suitable for ground transportation
51 is not in the bulk transfer/terminal system;

52 [(11)] (12) "Consumer", the user of the motor fuel;

53 [(12)] (13) "Delivery", the placing of motor fuel or any liquid into the fuel tank of a
54 motor vehicle or bulk storage facility;

55 [(13)] (14) "Department", the department of revenue;

56 [(14)] (15) "Destination state", the state, territory, or foreign country to which motor fuel
57 is directed for delivery into a storage facility, a receptacle, a container, or a type of transportation
58 equipment for the purpose of resale or use;

59 [(15)] (16) "Diesel fuel", any liquid that is commonly or commercially known or sold
60 as a fuel that is suitable for use in a diesel-powered highway vehicle. A liquid meets this

61 requirement if, without further processing or blending, the liquid has practical and commercial
62 fitness for use in the propulsion engine of a diesel-powered highway vehicle. "Diesel fuel" does
63 not include jet fuel sold to a buyer who is registered with the Internal Revenue Service to
64 purchase jet fuel and remit taxes on its sale or use to the Internal Revenue Service. "Diesel fuel"
65 does not include biodiesel commonly referred to as B100 and defined in ASTM D6751, B99, or
66 B99.9 until such biodiesel is blended with other diesel fuel or sold for highway use;

67 [(16)] (17) "Diesel-powered highway vehicle", a motor vehicle operated on a highway
68 that is propelled by a diesel-powered engine;

69 [(17)] (18) "Director", the director of revenue;

70 [(18)] (19) "Distributor", a person who either produces, refines, blends, compounds or
71 manufactures motor fuel, imports motor fuel into a state or exports motor fuel out of a state, or
72 who is engaged in distribution of motor fuel;

73 [(19)] (20) "Dyed fuel", diesel fuel or kerosene that is required to be dyed pursuant to
74 United States Environmental Protection Agency rules or is dyed pursuant to Internal Revenue
75 Service rules or pursuant to any other requirements subsequently set by the United States
76 Environmental Protection Agency or Internal Revenue Service including any invisible marker
77 requirements;

78 [(20)] (21) "Eligible purchaser", a distributor who has been authorized by the director
79 to purchase motor fuel on a tax-deferred basis;

80 [(21)] (22) "Export", to obtain motor fuel in this state for sale or other distribution
81 outside of this state. In applying this definition, motor fuel delivered out of state by or for the
82 seller constitutes an export by the seller, and motor fuel delivered out of state by or for the
83 purchaser constitutes an export by the purchaser;

84 [(22)] (23) "Exporter", any person, other than a supplier, who purchases motor fuel in
85 this state for the purpose of transporting or delivering the fuel outside of this state;

86 [(23)] (24) "Farm tractor", all tractor-type, motorized farm implements and equipment
87 but shall not include motor vehicles of the truck-type, pickup truck-type, automobiles, and other
88 motor vehicles required to be registered and licensed each year pursuant to the provisions of the
89 motor vehicle license and registration laws of this state;

90 [(24)] (25) "Fuel grade alcohol", a methanol or ethanol with a proof of not less than one
91 hundred ninety degrees (determined without regard to denaturants) and products derived from
92 such alcohol for blending with motor fuel;

93 [(25)] (26) "Fuel transportation vehicle", any vehicle designed for highway use which
94 is also designed or used to transport motor fuels and includes transport trucks and tank wagons;

95 [(26)] (27) "Gasoline", all products commonly or commercially known or sold as
96 gasoline that are suitable for use as a motor fuel. Gasoline does not include products that have

97 an American Society for Testing and Materials (ASTM) octane number of less than seventy-five
98 as determined by the motor method;

99 [(27)] **(28)** "Gross gallons", the total measured motor fuel, exclusive of any temperature
100 or pressure adjustments, in U.S. gallons;

101 [(28)] **(29)** "Heating oil", a motor fuel that is burned in a boiler, furnace, or stove for
102 heating or industrial processing purposes;

103 [(29)] **(30)** "Import", to bring motor fuel into this state by any means of conveyance other
104 than in the fuel supply tank of a motor vehicle. In applying this definition, motor fuel delivered
105 into this state from out-of-state by or for the seller constitutes an import by the seller, and motor
106 fuel delivered into this state from out-of-state by or for the purchaser constitutes an import by
107 the purchaser;

108 [(30)] **(31)** "Import verification number", the number assigned by the director with
109 respect to a single transport truck delivery into this state from another state upon request for an
110 assigned number by an importer or the transporter carrying motor fuel into this state for the
111 account of an importer;

112 [(31)] **(32)** "Importer" includes any person who is the importer of record, pursuant to
113 federal customs law, with respect to motor fuel. If the importer of record is acting as an agent,
114 the person for whom the agent is acting is the importer. If there is no importer of record of motor
115 fuel entered into this state, the owner of the motor fuel at the time it is brought into this state is
116 the importer;

117 [(32)] **(33)** "Interstate motor fuel user", any person who operates a motor fuel-powered
118 motor vehicle with a licensed gross weight exceeding twenty-six thousand pounds that travels
119 from this state into another state or from another state into this state;

120 [(33)] **(34)** "Invoiced gallons", the gallons actually billed on an invoice for payment to
121 a supplier which shall be either gross or net gallons on the original manifest or bill of lading;

122 [(34)] **(35)** "K-1 kerosene", a petroleum product having an A.P.I. gravity of not less than
123 forty degrees, at a temperature of sixty degrees Fahrenheit and a minimum flash point of one
124 hundred degrees Fahrenheit with a sulfur content not exceeding four one-hundredths percent by
125 weight;

126 [(35)] **(36)** "Kerosene", the petroleum fraction containing hydrocarbons that are slightly
127 heavier than those found in gasoline and naphtha, with a boiling range of one hundred forty-nine
128 to three hundred degrees Celsius;

129 [(36)] **(37)** "Liquid", any substance that is liquid in excess of sixty degrees Fahrenheit
130 and at a pressure of fourteen and seven-tenths pounds per square inch absolute;

131 [(37)] **(38)** "Motor fuel", gasoline, diesel fuel, kerosene and blended fuel;

132 [(38)] **(39)** "Motor vehicle", any automobile, truck, truck-tractor or any motor bus or
133 self-propelled vehicle not exclusively operated or driven upon fixed rails or tracks. The term
134 does not include:

135 (a) Farm tractors or machinery including tractors and machinery designed for off-road
136 use but capable of movement on roads at low speeds, or

137 (b) A vehicle solely operated on rails;

138 [(39)] **(40)** "Net gallons", the motor fuel, measured in U.S. gallons, when corrected to
139 a temperature of sixty degrees Fahrenheit and a pressure of fourteen and seven-tenths pounds per
140 square inch absolute (psi);

141 [(40)] **(41)** "Permissive supplier", an out-of-state supplier that elects, but is not required,
142 to have a supplier's license pursuant to this chapter;

143 [(41)] **(42)** "Person", natural persons, individuals, partnerships, firms, associations,
144 corporations, estates, trustees, business trusts, syndicates, this state, any county, city,
145 municipality, school district or other political subdivision of the state, federally recognized
146 Indian tribe, or any corporation or combination acting as a unit or any receiver appointed by any
147 state or federal court;

148 [(42)] **(43)** "Position holder", the person who holds the inventory position in motor fuel
149 in a terminal, as reflected on the records of the terminal operator. A person holds the inventory
150 position in motor fuel when that person has a contract with the terminal operator for the use of
151 storage facilities and terminating services for motor fuel at the terminal. The term includes a
152 terminal operator who owns motor fuel in the terminal;

153 [(43)] **(44)** "Propel", the operation of a motor vehicle, whether it is in motion or at rest;

154 [(44)] **(45)** "Public highway", every road, toll road, highway, street, way or place
155 generally open to the use of the public as a matter of right for the purposes of vehicular travel,
156 including streets and alleys of any town or city notwithstanding that the same may be temporarily
157 closed for construction, reconstruction, maintenance or repair;

158 [(45)] **(46)** "Qualified terminal", a terminal which has been assigned a terminal control
159 number ("tcn") by the Internal Revenue Service;

160 [(46)] **(47)** "Rack", a mechanism for delivering motor fuel from a refinery or terminal
161 into a railroad tank car, a transport truck or other means of bulk transfer outside of the bulk
162 transfer/terminal system;

163 [(47)] **(48)** "Refiner", any person that owns, operates, or otherwise controls a refinery;

164 [(48)] **(49)** "Refinery", a facility used to produce motor fuel from crude oil, unfinished
165 oils, natural gas liquids, or other hydrocarbons and from which motor fuel may be removed by
166 pipeline, by boat or barge, or at a rack;

167 [(49)] **(50)** "Removal", any physical transfer of motor fuel from a terminal,
168 manufacturing plant, customs custody, pipeline, boat or barge, refinery or any facility that stores
169 motor fuel;

170 [(50)] **(51)** "Retailer", a person that engages in the business of selling or dispensing to
171 the consumer within this state;

172 [(51)] **(52)** "Supplier", a person that is:

173 (a) Registered or required to be registered pursuant to 26 U.S.C., Section 4101, for
174 transactions in motor fuels in the bulk transfer/terminal distribution system; and

175 (b) One or more of the following:

176 a. The position holder in a terminal or refinery in this state;

177 b. Imports motor fuel into this state from a foreign country;

178 c. Acquires motor fuel from a terminal or refinery in this state from a position holder
179 pursuant to either a two-party exchange or a qualified buy-sell arrangement which is treated as
180 an exchange and appears on the records of the terminal operator; or

181 d. The position holder in a terminal or refinery outside this state with respect to motor
182 fuel which that person imports into this state. A terminal operator shall not be considered a
183 supplier based solely on the fact that the terminal operator handles motor fuel consigned to it
184 within a terminal. "Supplier" also means a person that produces fuel grade alcohol or
185 alcohol-derivative substances in this state, produces fuel grade alcohol or alcohol-derivative
186 substances for import to this state into a terminal, or acquires upon import by truck, rail car or
187 barge into a terminal, fuel grade alcohol or alcohol-derivative substances. "Supplier" includes
188 a permissive supplier unless specifically provided otherwise;

189 [(52)] **(53)** "Tank wagon", a straight truck having multiple compartments designed or
190 used to carry motor fuel;

191 [(53)] **(54)** "Terminal", a bulk storage and distribution facility which includes:

192 (a) For the purposes of motor fuel, is a qualified terminal;

193 (b) For the purposes of fuel grade alcohol, is supplied by truck, rail car, boat, barge or
194 pipeline and the products are removed at a rack;

195 [(54)] **(55)** "Terminal bulk transfers" include but are not limited to the following:

196 (a) Boat or barge movement of motor fuel from a refinery or terminal to a terminal;

197 (b) Pipeline movements of motor fuel from a refinery or terminal to a terminal;

198 (c) Book transfers of product within a terminal between suppliers prior to completion
199 of removal across the rack; and

200 (d) Two-party exchanges or buy-sell supply arrangements within a terminal between
201 licensed suppliers;

202 [(55)] **(56)** "Terminal operator", any person that owns, operates, or otherwise controls
203 a terminal. A terminal operator may own the motor fuel that is transferred through or stored in
204 the terminal;

205 [(56)] **(57)** "Transmix", the buffer or interface between two different products in a
206 pipeline shipment, or a mix of two different products within a refinery or terminal that results
207 in an off-grade mixture;

208 [(57)] **(58)** "Transport truck", a semitrailer combination rig designed or used to transport
209 motor fuel over the highways;

210 [(58)] **(59)** "Transporter", any operator of a pipeline, barge, railroad or transport truck
211 engaged in the business of transporting motor fuels;

212 [(59)] **(60)** "Two-party exchange", a transaction in which the motor fuel is transferred
213 from one licensed supplier or licensed permissive supplier to another licensed supplier or
214 licensed permissive supplier and:

215 (a) Which transaction includes a transfer from the person that holds the original
216 inventory position for motor fuel in the terminal as reflected on the records of the terminal
217 operator; and

218 (b) The exchange transaction is simultaneous with removal from the terminal by the
219 receiving exchange partner. However, in any event, the terminal operator in its books and
220 records treats the receiving exchange party as the supplier which removes the product across a
221 terminal rack for purposes of reporting such events to this state;

222 [(60)] **(61)** "Ultimate vendor", a person that sells motor fuel to the consumer;

223 [(61)] **(62)** "Undyed diesel fuel", diesel fuel that is not subject to the United States
224 Environmental Protection Agency dyeing requirements, or has not been dyed in accordance with
225 Internal Revenue Service fuel dyeing provisions; and

226 [(62)] **(63)** "Vehicle fuel tank", any receptacle on a motor vehicle from which fuel is
227 supplied for the propulsion of the motor vehicle.

142.869. 1. The tax imposed by this chapter shall not apply to passenger motor vehicles,
2 buses as defined in section 301.010, or commercial motor vehicles registered in this state which
3 are powered by alternative fuel, and for which a valid decal has been acquired as provided in this
4 section. The owners or operators of such motor vehicles shall, in lieu of the tax imposed by
5 section 142.803, pay an annual alternative fuel decal fee as follows: [seventy-five] **one hundred**
6 dollars on each passenger motor vehicle, school bus as defined in section 301.010, and
7 commercial motor vehicle with a licensed gross vehicle weight of eighteen thousand pounds or
8 less; one hundred **twenty-five** dollars on each motor vehicle with a licensed gross weight in
9 excess of eighteen thousand pounds but not more than thirty-six thousand pounds used for farm
10 or farming transportation operations and registered with a license plate designated with the letter
11 "F"; one hundred [fifty] **seventy-five** dollars on each motor vehicle with a licensed gross vehicle

12 weight in excess of eighteen thousand pounds but less than or equal to thirty-six thousand
13 pounds, and each passenger-carrying motor vehicle subject to the registration fee provided in
14 sections 301.059, 301.061 and 301.063; [two] **three** hundred [fifty] dollars on each motor
15 vehicle with a licensed gross weight in excess of thirty-six thousand pounds used for farm or
16 farming transportation operations and registered with a license plate designated with the letter
17 "F"; and one thousand **five hundred** dollars on each motor vehicle with a licensed gross vehicle
18 weight in excess of thirty-six thousand pounds. Notwithstanding provisions of this section to
19 the contrary, motor vehicles licensed as historic under section 301.131 which are powered by
20 alternative fuel shall be exempt from both the tax imposed by this chapter and the alternative fuel
21 decal requirements of this section.

22 2. Except interstate fuel users and vehicles licensed under a reciprocity agreement as
23 defined in section 142.617, the tax imposed by section 142.803 shall [not] **also** apply to motor
24 vehicles registered outside this state which are powered by alternative fuel[, and for which a
25 valid temporary alternative fuel decal has been acquired as provided in this section].

26 **(1) The owner of such vehicle registered outside of this state may elect to either**
27 **purchase a valid temporary alternative fuel decal as provided in this section or remit the**
28 **motor fuel tax at the time of the fuel purchase.**

29 **(a)** The owners or operators of such motor vehicles [shall] **may**, in lieu of the tax
30 imposed by section 142.803, pay a temporary alternative fuel decal fee of [eight] **twelve** dollars
31 on each such vehicle. Such decals shall be valid for a period of fifteen days from the date of
32 issuance and shall be attached to the lower right-hand corner of the front windshield on the motor
33 vehicle for which it was issued. Such decal and fee shall not be transferable.

34 **(b) If a temporary decal is not available or at the discretion of the driver or fuel**
35 **provider, the owner may pay the appropriate road tax based on the individual purchase**
36 **of the fuel.**

37 **(2) The fuel provider will remit all road tax collected from non-state residents each**
38 **quarter using a form authorized by the department.**

39 **(a) [All] Eighty percent of the proceeds from such decal fees or collections of non-**
40 **state road tax** shall be deposited as specified in section 142.345.

41 **(b) Twenty percent of the proceeds from such decal sales or collections of non-state**
42 **road tax shall be deposited into the Missouri alternative fuel infrastructure tax credit fund**
43 **under the direction of the department of natural resources.**

44 **(c)** Alternative fuel dealers selling such decals in accordance with rules and regulations
45 prescribed by the director shall be allowed to retain [fifty cents] **two dollars** for each decal fee
46 timely remitted to the director.

47 3. The director shall annually, on or before January thirty-first of each year, collect or
48 cause to be collected from owners or operators of the motor vehicles specified in subsection 1
49 of this section the annual decal fee. Applications for such decals shall be supplied by the
50 department of revenue. In the case of a motor vehicle which is not in operation by January
51 thirty-first of any year, a decal may be purchased for a fractional period of such year, and the
52 amount of the decal fee shall be reduced by one-twelfth for each complete month which shall
53 have elapsed since the beginning of such year.

54 4. Upon the payment of the fee required by subsection 1 of this section, the director shall
55 issue a decal, which shall be valid for the current calendar year and shall be attached to the lower
56 right-hand corner of the front windshield on the motor vehicle for which it was issued.

57 5. The decal fee paid pursuant to subsection 1 of this section for each motor vehicle shall
58 be transferable upon a change of ownership of the motor vehicle and, if the [LP gas or natural
59 gas equipment] **alternative fuel system** is removed from a motor vehicle upon a change of
60 ownership and is reinstalled in another motor vehicle, upon such reinstallation. Such transfers
61 shall be accomplished in accordance with rules and regulations promulgated by the director.

62 6. It shall be unlawful for any [person] **Missouri resident** to operate a motor vehicle
63 required to have an alternative fuel decal upon the highways of this state without a valid decal.

64 7. No person shall cause to be put, or put, **electricity**, LP gas or natural gas into the fuel
65 supply receptacle of a motor vehicle required to have an alternative fuel decal unless the motor
66 vehicle has a valid decal attached to it.

67 **(1) Qualified conversion sellers as defined by subdivision (6) of subsection 1 of**
68 **section 135.710 or the sellers of vehicles sold with alternative fuel systems in place shall not**
69 **be required to obtain alternative fuel decals during the installation of qualified conversions**
70 **for motor fuel vehicles or the sale of such vehicles. Such conversion sellers or vehicle**
71 **dealers or their fuel suppliers may elect to fuel such motor fuel vehicles during the**
72 **conversion or sales process and remit the applicable road tax under section 142.869.**

73 **(2) Sales of [fuel] all alternative fuels** placed in the supply receptacle of a motor vehicle
74 **[displaying such decal]** shall be recorded upon an invoice, which invoice shall include the decal
75 number, **if applicable**, the motor vehicle license number and the number of gallons placed in
76 such supply receptacle. **Such invoices shall be kept by the seller for a period of two years.**

77 **(3) Sales of all vehicles propelled by alternative fuels, whether through qualified**
78 **conversion or equipped by the original manufacturer shall be reported to the department**
79 **annually.**

80 8. Any person violating any provision of this section is guilty of an infraction and shall,
81 upon conviction thereof, be fined five hundred dollars.

82 9. Motor vehicles displaying a valid alternative fuel decal are exempt from the licensing
83 and reporting requirements of this chapter.

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